

Medicaid

Slide 1

The slide features a light yellow background with a vertical olive green bar on the left. A horizontal line with a grey rectangular marker is positioned near the top. The title "MEDICAID 101" is centered in a dark purple font. Below it, a dark purple rectangular box contains the subtitle "An overview of the Federal Medicaid Program" in black text.

MEDICAID 101

An overview of the Federal Medicaid Program

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The slide has a light yellow background with a vertical olive green bar on the left. A horizontal line with a grey rectangular marker is located near the top. The title "Table of Contents" is centered in a dark purple font. Below the title is a bulleted list of topics in black text.

Table of Contents

- Introduction and state responsibilities
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- Services and Eligibility (Hawaii)
- Medicaid Strengths and Accomplishments
- Medicaid Challenges and Direction
- The CPASS Challenge

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Introduction

- United States largest public program to provide:
 - Acute Health Services and
 - Long Term Care coverage to low-income:
 - Women
 - Children and Teens
 - Elderly in nursing homes
 - Adults and Children with disabilities

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States Responsibilities

- Voluntary for states
- Requires mandatory coverage for certain population
- Required to offer services statewide equally to all
- Flexibility on eligibility requirements such as income levels, and residence outside of a nursing home or institution
- Addition flexibility is available through “waivers”

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The Flow of Medicaid Dollars

- Federal dollars match state dollars spent on Medicaid programs and services
- Provides for open-ended federal payments to match state Medicaid Spending
- Matching level varies in each state, Minimum of 50% up to maximum of 87%
- Hawaii gets \$0.58 for every \$1.00 spent
- In Hawaii the Department of Human Services (DHS) is designated as the Medicaid Agency

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Some Statistics

- 51 million people with low-income served
- 38 million non-elderly people with disabilities in US
 - 25 million of these have specific, chronic disabilities
 - 20% receive Medicaid
 - 53% have private insurance
 - 12% have other sources including Medicare
 - 15% are uninsured

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Some more Statistics

- 70% of people with severe disabilities are children or working age adults
- 500,000 Medicaid recipients under age 65 live in an institution, nursing home, or mental health facility
- Nationally federal government pays for 57% of Medicaid spending
- People with disabilities make up only 16% of the Medicaid enrollment, they account for 43% of Medicaid spending

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Medicaid Waivers

- To provide states flexibility to meet their unique needs states can submit proposals requesting to “waive” certain requirements of the Medicaid Act
- Most States use Home & Community Based Waivers (H&CBS) or 1915(c) waivers
 - In 2001 there were 229 waivers in 49 states serving 800,000 people

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Medicaid Waivers

Waivers have been used to:

- Cover new groups of people
- Require recipients to enroll in managed care programs
- Create choices for receiving services in home and community based settings
- More recently waivers have been used to limit services, to cut or control spending, or to cover more people

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History (1965 – 1980)

- Founded in 1965 as Title XIX of the Social Security Act
- Originally funded only institutionalized care
- Intended for poorest Americans
- Served only a small amount of people with disabilities

History (1981- 1990)

- In 1981 Section 1915(c) of the Social Security Act established the Medicaid Home and Community-Based Services (HCBS) Waiver program.
- Allowed for services and supports to be provided outside of an institution
 - Hospitals
 - Nursing Facilities
 - Intermediate Care Facilities (ICF)
- Gave states the flexibility to develop and implement creative alternatives

History (1981- 1990) cont'd

Subsequent to the 1981 legislation, Congress:

- Expanded coverage to individuals who would require hospital level of care without the waiver
- Added, with exceptions, prevocational, educational and supported employment to habilitation services
- Included day treatment or other partial hospitalization services, for individuals with chronic mental illness

History (1990 – Today)

- 1990's saw a much faster growth of Medicaid spending especially for long term care services for people with disabilities
- Federal focus is increasingly on limiting the growth in Medicaid spending
- At the same time concern is on how to improve quality of life for people with disabilities receiving Medicaid Services

History (1990 – Today) cont'd

- Policy options have been developed to assist people with disabilities that are able and want to work but with increased income would lose their eligibility
- Ticket to Work legislation raised the income ceiling to 450% of poverty levels
- Ticket to Work limits states on amounts they can charge for Medicaid premiums

History (1990 – Today) cont'd

- In 1996, legislation established Independence Plus Waiver – modeled after earlier Cash & Counseling Waivers
- In 1999 in Olmstead v. L.C. the US Supreme Court ruled that unjustified institutionalization is discrimination and violates the ADA
- States are currently developing plans (Olmstead Plan) to address this but it is not clear what will result from these plans

Services (Federal)

Medical benefits, Acute Care

<u>Mandatory</u>	<u>Optional</u>
Hospital care	Prescription drugs
Doctor visits	Dental
Laboratory & X-ray	Diagnostic services
Early screening	Adult screening
Periodic screening (under age 21)	Preventive services
Family planning	Rehabilitation
Certified nursing services	Physical therapy
	Prosthetics
	Eyeglasses
	Case management
	Medical Specialist

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Services (Federal)	
Medical benefits, Long Term Care	
INSTITUTIONAL SERVICES	
<u>Mandatory</u>	<u>Optional</u>
Nursing Facilities (for over 21)	ICF/MR Services Inpatient psychiatric services (for under 21) Home Health Care

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Services (Federal)	
Medical benefits, Long Term Care	
HOME & COMMUNITY BASED SERVICES	
<u>Mandatory</u>	<u>Optional</u>
Home Health Care Services (for nursing facility eligible)	Case Management Respiratory care Personal Care Private nursing PACE Program <small>(Program of All-inclusive Care for the Elderly)</small> Other Home Services

Medicaid Eligibility

- Individuals must meet qualifications, not everyone with a disability is eligible
- Primary consideration is annual income
- Individuals receiving SSI generally qualify, but not always
- SSI has strict definitions of disability based on “ability to work”
- 78% of people receiving Medicaid qualify on basis of SSI

Medicaid Eligibility cont'd

States can change eligibility requirements:

- Children living at home, who would be eligible if they lived in an institution, even if parents income exceeds SSI limits
- “Medically Needy” programs for individuals with higher incomes are eligible if their income is below poverty levels after their medical expenses
- Higher income, working individuals are eligible as long as they meet the SSI disability standards

Medicaid Programs in Hawaii

Hawaii Quest – Section 1115 Demonstration

- For low-income residents ineligible for Medicaid and State general assistance programs
- Limited benefits package through enrollment in state funded health insurance program (SHIP)
- About 20,000 individuals served
- Adults in QUEST-Net receive a reduced benefit package while children receive the full Medicaid benefit package.

Medicaid Programs in Hawaii

There are five (5) Home and Community Based Services Waivers Under 1915(c) Authority

- **MR/DD**
- **Aged and Disabled Adults**
 - NHWW - (Nursing Home Without Walls)
 - RACCP - (Residential Alternatives Community Care Program)
 - HCCP - (HIV Community Care Program)
- **Medically Fragile Community-Care**

Medicaid Programs in Hawaii

Hawaii HCBS Waiver: MR/DD

Offers an array of services including:

- Case Management
- Adult Day Health
- Habilitation
- Habilitation/Supported Employment
- Personal Assistance
- Respite
- Skilled Nursing
- Specialized Environmental Accessibility Adaptations
- Home modifications
- Special equipment
- Transportation
- Specialized Services (training, 24 hour crisis)

Medicaid Programs in Hawaii

Hawaii HCBS Waiver: MR/DD

Eligibility:

- Individuals must have a developmental disability
- Be Medicaid eligible (Parents' income NOT considered when making determination)
- Be eligible for Intermediate Care Facility - Mentally Retarded (ICF-MR) level of care
- Choose to receive home and community-based services as an alternative to institutional placement
- This program serves all ages

Medicaid Programs in Hawaii

Hawaii HCBS Waiver: Aged and Disabled Adults

- Hawaii has three HCBS waivers for aged and disabled adults.
 - NHWW - (Nursing Home Without Walls)
 - RACCP - (Residential Alternatives Community Care Program)
 - HCCP - (HIV Community Care Program)

Medicaid Programs in Hawaii

Hawaii HCBS Waiver: Aged and Disabled Adults

- NHWW, (Nursing Home Without Walls) offers a range of services including:
 - Home delivered meals
 - Moving assistance
 - Personal care
 - Respite
 - Case management
 - Transportation
 - Home maintenance and modifications
 - Adult day health
 - Nursing services
 - Counseling and training

Medicaid Programs in Hawaii

Hawaii HCBS Waiver: Aged and Disabled Adults

- RACCP - (Residential Alternatives Community Care Program) offers a range of services including:
 - Case Management
 - Respite
 - Residential care
 - Personal care

Medicaid Programs in Hawaii

Hawaii HCBS Waiver: Aged and Disabled Adults

- HCCP - (HIV Community Care Program) offers a range of services including:
 - Case Management
 - Non-Medical Transportation
 - Personal Assistance
 - Home Delivered Meals
 - Adult Day Health Counseling and Training
 - Private Duty Nursing
 - Personal Emergency Response
 - Respite Care Home Maintenance
 - Environmental Accessibility
 - Adaptations Moving Assistance
 - Specialized Medical Equipment and Supplies

Medicaid Programs in Hawaii

Hawaii HCBS Waiver: Medically Fragile Community-Care Waiver Program

Offers an array of services including:

- Habilitation
- Respite
- Home modifications
- Special equipment
- Day health services
- Nursing
- Transportation
- Personal
- Medical day care
- Attendant care
- Family training
- Case management

Medicaid Programs in Hawaii

Hawaii HCBS Waiver: Medically Fragile Community-Care Waiver Program

Eligibility:

- Be under 21 years old and determined to be medically fragile
- Be Hospital or Nursing Facility level of care;
- Targeted medical condition is expected to last beyond 12 months; and
- Have at least 2 caregivers trained to provide the care in a home that is able to accommodate the necessary equipment and personnel.

Medicaid's Strengths & Accomplishments

- Provide comprehensive long term care and acute care services to millions Nationwide
- Coverage often means the difference of independence and health vs. dependency and deteriorating health
- Prescription drug availability
- Covering personal care services
- Providing Case Management
- Raising the quality of care in institutions

Medicaid's Challenges & Direction

- Gaps in coverage
- Removing Disincentives to work
- Assuring Adequate Benefits
- Improving Managed care for people with disabilities
- Increasing Availability of H&CBS services
- Shifting Bias away from institutional care
- Assuring Quality Institutional Care
- 1115 Waivers
- Stressed State Budgets and Rising Costs

Medicaid's Challenges & Direction

Gaps in coverage

- 4 million people with severe disabilities are uninsured
- Individuals with progressive disabilities are often left without coverage until their condition is more severe
- Waiting lists are long in half the states
- Access to Rehabilitation and Therapy services
- Early screening and Periodic screening

Medicaid's Challenges & Direction

Removing Disincentives to work

- Ticket to Work
- Welfare and SSI reform
- Improving pre-vocational and supported employment services and options

Medicaid's Challenges & Direction

Assuring Adequate Benefits

- Early screening and Periodic screening not always available in all States
- Access to prescription drugs - People with disabilities account for 55% of Medicaid prescription spending
- Access to Rehabilitation and Therapy services
- Home and Community Based support options
- Improving satisfaction and outcomes

Medicaid's Challenges & Direction

Improving Managed care for people with disabilities

- Few States have developed this area, and quality monitoring is lacking
- "Carve out" benefits for mental health benefits often do not meet complex and intensive management needs
- Many Managed care plans have opted out of Medicaid due to concerns over rates, administrative burdens, and difficulty in negotiating with hospitals and physicians

Medicaid's Challenges & Direction

Increasing Availability of H&CBS services

- H&CBS waiver services must be "budget neutral"
- Community based services not always available; forcing some individuals into institutions
- Although more cost effective compared with institutional services concern over rising costs if coverage includes the current unpaid care provided by family members
- Waiver waiting lists are typically very long
- H&CBS waiver accounted for only 29% of Medicaid long term care spending in 2001

Medicaid's Challenges & Direction

Shifting bias away from institutional care

- Olmstead v. L.C. ruled that unjustified institutionalization is discrimination and violates the ADA
- Independence Plus Waiver – modeled after earlier Cash & Counseling Waivers established in 1996
- Requires individuals to have adequate budget to meet their service needs

Medicaid's Challenges & Direction

Assuring Quality Institutional Care

- 30% of nursing homes have been cited for deficiencies involving harm to residents or placing them at high risk of death or serious injury
- Staffing levels and qualifications are under review

Medicaid's Challenges & Direction

1115 Waivers

- Provides a vehicle for demonstrations to expand coverage
- Can also be used to limit coverage, reduce benefits and increase cost sharing requirements for optional groups and services
- Encourages subsidizing of private coverage
- Again must be "budget neutral"
- Elderly and People with disabilities account for 80% of the "optional" coverage groups – this coverage could be jeopardized

Medicaid's Challenges & Direction

Stressed State Budgets and Rising Costs

- Increasing healthcare costs and reduced revenues is a fiscal reality for states
- Reducing Medicaid spending also means a reduction in Federal benefits
- \$20 billion in federal relief made available in 2003 to slow cuts
- Bush Administration block grant proposal would give states more flexibility in return for caps on federal spending – giving up open-ended federal matching

Medicaid's Challenges & Direction

Stressed State Budgets and Rising Costs

49 states enacted Medicaid cutbacks in 2003

- 37 reduced or froze provider payments to hospitals and nursing homes
- 45 implemented prescription drug controls
- 27 restricted or cut Medicaid eligibility
- 25 reduced benefits
- 17 increased co-payments

The CPASS Challenge

Improve services and increase self-advocate control while controlling costs.

Consumer Direction offers the current best idea for accomplishing these conflicting ideas.

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